GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:44
ANSWERED ON:10.08.2007
DUTY ON CERAMIC TILES
Patel Shri Jivabhai Ambalal;Thummar Shri Virjibhai

Will the Minister of FINANCE be pleased to state:

(a) Whether there is a provision to impose excise duty on ceramic glazed tiles manufactured by small industrial units;

(b) If so, the details thereof;

(c) Whether the Government proposes to increase the rebate limit of excise duty on small scale industries;

(d) If not, the reasons therefore; and

(e) the details of customs duty levelled on imported ceramic tiles?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI S.S.PALANIMANICKAM

(a) Yes, Sir.

(b) Ceramic glazed tiles attract excise duty of 16% ad-valorem. However, a concessional excise duty of 8% (without Cenvat credit) has been provided for all ceramic tile units, which do not use electricity for firing the kiln as against normal rate of 16% (with Cenvat credit). Ceramic tiles are, however, not covered under the general exemption scheme for specified small scale units. Small industrial units manufacturing ceramic glazed tiles have the option to pay excise duty of 8% without Cenvat credit or 16% with cenvat credit.

(c) Government has received certain representations for extending the small scale exemption scheme to ceramic tiles. These representations are under examination.

(d) Does not arise in view of (c) above.

(e) Ceramic tiles attract 10% basic customs duty (BCD), 16% CV duty in lieu of excise duty, 4% additional customs duty (ACD) in lieu o f State taxes/local tax etc and educational cess on excisable goods and educational cess on imported goods @ 3% of the aggregate of excise duties and customs duties respectively. However, ceramic tiles when imported under various preferential or free trade agreements attract concessional basic customs duty below 10%.